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Agenda item 22 (a)

Globalization and interdependence

Report of the Second Committee*

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I. Introduction

1. The Second Committee held a substantive debate on agenda item 22 (see A/67/439, para. 2). Action on sub-item (a) was taken at the 29th, 30th, 33rd and 34th meetings, on 15 and 21 November, and on 5 and 7 December 2012. An account of the Committee's consideration of the sub-item is contained in the relevant summary records (A/C.2/67/SR.29, 30, 33 and 34).

II. Consideration of proposals

A. Draft resolution A/C.2/67/L.3/Rev.1

2. At the 29th meeting, on 15 November, the representative of Algeria, on behalf of the Group of 77 and China, introduced a draft resolution entitled "Towards a New International Economic Order" (A/C.2/67/L.3/Rev.1).

3. At its 30th meeting, on 21 November, the Committee was informed that the draft resolution had no programme budget implications.

4. At the same meeting, the Committee adopted draft resolution A/C.2/67/L.3/Rev.1 by a recorded vote of 113 to 47, with 5 abstentions (see para. 10, draft resolution I). The voting was as follows:[1]

* The report of the Committee on this item is being issued in three parts, under the symbol A/67/439 and Add.1 and 2.

[1] The delegation of the Democratic People's Republic of Korea subsequently indicated that, had they been present, they would have voted in favour.

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In favour:

Afghanistan, Algeria, Angola, Antigua and Barbuda, Argentina, Armenia, Azerbaijan, Bahrain, Bangladesh, Barbados, Belarus, Belize, Benin, Bhutan, Bolivia (Plurinational State of), Brazil, Brunei Darussalam, Burkina Faso, Burundi, Cameroon, Chile, China, Colombia, Comoros, Costa Rica, Côte d'Ivoire, Cuba, Djibouti, Dominican Republic, Ecuador, Egypt, El Salvador, Ethiopia, Fiji, Grenada, Guatemala, Guinea, Guyana, Haiti, Honduras, India, Indonesia, Iran (Islamic Republic of), Iraq, Jamaica, Jordan, Kazakhstan, Kuwait, Kyrgyzstan, Lao People's Democratic Republic, Lebanon, Lesotho, Libya, Madagascar, Malawi, Malaysia, Maldives, Mali, Marshall Islands, Mauritania, Mauritius, Mexico, Micronesia (Federated States of), Mongolia, Morocco, Myanmar, Namibia, Nepal, Nicaragua, Niger, Nigeria, Oman, Pakistan, Panama, Papua New Guinea, Paraguay, Peru, Philippines, Qatar, Russian Federation, Saint Lucia, Saint Vincent and the Grenadines, Samoa, Sao Tome and Principe, Saudi Arabia, Senegal, Sierra Leone, Singapore, Solomon Islands, Somalia, South Africa, Sri Lanka, Sudan, Suriname, Swaziland, Syrian Arab Republic, Tajikistan, Thailand, Timor-Leste, Togo, Trinidad and Tobago, Tunisia, Tuvalu, Uganda, United Arab Emirates, United Republic of Tanzania, Uruguay, Uzbekistan, Venezuela (Bolivarian Republic of), Viet Nam, Yemen, Zambia, Zimbabwe.

Against:

Albania, Andorra, Austria, Belgium, Bosnia and Herzegovina, Bulgaria, Canada, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Georgia, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Monaco, Montenegro, Netherlands, New Zealand, Norway, Poland, Portugal, Republic of Moldova, Romania, San Marino, Serbia, Slovakia, Slovenia, Spain, Sweden, Switzerland, the former Yugoslav Republic of Macedonia, United Kingdom of Great Britain and Northern Ireland, United States of America.

Abstaining:

Australia, Cambodia, Republic of Korea, Turkey, Ukraine.

5. After the vote, statements in explanation of vote were made by the representatives of the United States of America, Canada, Cyprus (on behalf of the European Union and Albania, Bosnia and Herzegovina, Croatia, Iceland, Montenegro, the Republic of Moldova, Serbia and the former Yugoslav Republic of Macedonia) and Mexico; a statement was made after the vote by the representative of Cuba (see A/C.2/67/SR.30).

B. Draft resolution A/C.2/67/L.12/Rev.1

6. At the 33rd meeting, on 5 December, the representative of Brazil, on behalf of Brazil, Chile, Colombia, Costa Rica and the Philippines, subsequently joined by Australia, Canada, Japan, Nigeria and Sri Lanka, introduced a draft resolution entitled "Promoting transparency, participation and accountability in fiscal policies" (A/C.2/67/L.12/Rev.1).

7. At its 34th meeting, on 7 December, the Committee was informed that the draft resolution had no programme budget implications.

8. Subsequently, Austria, Belgium, Bosnia and Herzegovina, Bulgaria, Croatia, Cyprus, the Czech Republic, Denmark, El Salvador, Estonia, Finland, France, Georgia, Germany, Greece, Guatemala, Hungary, Iceland, Ireland, Israel, Italy, Japan, Latvia, Lithuania, Luxembourg, Malta, Montenegro, the Netherlands, New Zealand, Norway, Poland, Portugal, the Republic of Moldova, Romania, Serbia, Slovakia, Slovenia, Spain, Sweden, the former Yugoslav Republic of Macedonia, Ukraine, the United Kingdom of Great Britain and Northern Ireland and the United States of America joined in sponsoring the draft resolution.

9. Also at the same meeting, the Committee adopted draft resolution A/C.2/67/L.12/Rev.1 (see para. 10, draft resolution II).

III. Recommendations of the Second Committee

10. The Second Committee recommends to the General Assembly the adoption of the following draft resolutions:

Draft resolution I
Towards a New International Economic Order

The General Assembly,

Bearing in mind the purposes and principles of the Charter of the United Nations to promote the economic advancement and social progress of all peoples,

Recalling the principles of the Declaration on the Establishment of a New International Economic Order and the Programme of Action on the Establishment of a New International Economic Order, as set out in resolutions 3201 (S-VI) and 3202 (S-VI), respectively, adopted by the General Assembly at its sixth special session, on 1 May 1974,

Recalling also its resolutions 63/224 of 19 December 2008, 64/209 of 21 December 2009 and 65/167 of 20 December 2010,

Reaffirming the United Nations Millennium Declaration,[1]

Recalling the High-level Plenary Meeting of the General Assembly on the Millennium Development Goals and its outcome document,[2]

Recalling also the outcome document of the United Nations Conference on Sustainable Development, entitled "The future we want",[3]

Recalling further the outcomes of the major United Nations conferences and summits in the economic, social and related fields, including the development goals and objectives contained therein, and recognizing the vital role played by those conferences and summits in shaping a broad development vision and in identifying commonly agreed objectives,

Stressing the need to fulfil all financing for development commitments, including those contained in the Monterrey Consensus of the International Conference on Financing for Development,[4] the Doha Declaration on Financing for Development: outcome document of the Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus[5] and other relevant outcomes of major United Nations conferences and summits,

Noting that there have been systemic challenges to the global economic architecture demanding a review of global economic governance,

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[1] Resolution 55/2.

[2] Resolution 65/1.

[3] Resolution 66/288, annex.

[4] *Report of the International Conference on Financing for Development, Monterrey, Mexico, 18-22 March 2002* (United Nations publication, Sales No. E.02.II.A.7), chap. I, resolution 1, annex.

[5] Resolution 63/239, annex.

Concerned about the multiple interrelated and mutually exacerbating current global crises, in particular the world financial and economic crisis, volatile energy prices, the food crisis and the challenges posed by climate change, which have a negative impact on the development prospects of developing countries, threaten to further widen the gap between developed and developing countries, including the technological and income gap, and could further undermine the achievement of the internationally agreed development goals, including the Millennium Development Goals,

Concerned also in this regard that, in spite of some progress achieved in particular regions, some 200 million people globally are still unemployed and a further 900 million workers live with their families below the two-dollar-a-day poverty line,

Underlining the need for a more sustainable economic growth and recovery, and recognizing that this goal can be achieved through inclusive multilateralism and the equal participation of all countries, as envisioned, inter alia, in the Declaration and the Programme of Action on the Establishment of a New International Economic Order,

Recognizing that innovative and enhanced approaches to financing for development are needed to address the challenges posed by the current global economic situation, poverty and the achievement of the internationally agreed development goals, including the Millennium Development Goals, and stressing that these approaches should neither be a substitute for nor negatively affect the level of traditional sources of development financing, including official development assistance, and that they need to be developed in a spirit of partnership, cooperation and solidarity, bearing in mind the common interests and national priorities of each country,

Recognizing also that many relevant aspects of the Programme of Action on the Establishment of a New International Economic Order have not been implemented and that, consequently, many developing countries continue to face significant challenges to their development prospects, including vulnerability to external shocks and lack of adequate representation in global economic governance,

Recognizing further the role played by regional, subregional and interregional cooperation as well as regional economic integration, based on equality of partnership, in strengthening international cooperation with the objective of facilitating economic coordination and cooperation for development, the achievement of development goals and the sharing of best practices and knowledge,

Recognizing that widespread financial deregulation has contributed to larger net capital outflows from developing countries to developed countries,

Concerned that excessively expansionary monetary policies and the ensuing competitive currency devaluations pursued by developed countries have an effect equivalent to across-the-board export subsidy and a generalized increase in import tariffs, which thus nullify or impair existing World Trade Organization market access commitments and further hinder the capacity of developing countries to fulfil their commitments to implement all the internationally agreed development goals, including the Millennium Development Goals,

Stressing the need for policy space to allow the formulation of national development strategies by developing countries, aimed at bringing prosperity for all,

1. *Takes note* of the report of the Secretary-General entitled "International challenges for sustainable development: global policy coherence and the role of the United Nations";[6]

2. *Reaffirms* the need to continue working towards a new international economic order based on the principles of equity, sovereign equality, interdependence, common interest, cooperation and solidarity among all States;

3. *Also reaffirms* the need to enhance the voice and participation of developing countries in international economic decision-making and norm-setting;

4. *Reaffirms* that international trade is an engine for development and sustained economic growth, and also reaffirms the critical role that a universal, rules-based, open, non-discriminatory and equitable multilateral trading system can play in stimulating economic growth and development worldwide, thereby benefiting all countries at all stages of development;

5. *Decides* to continue considering the international economic situation and its impact on development at its sixty-ninth session, and in that regard requests the Secretary-General to include in his report to the General Assembly, under the item entitled "Globalization and interdependence", an updated overview of the major international economic and policy challenges for equitable and inclusive sustained economic growth and sustainable development and of the role of the United Nations in addressing these issues, as well as possible ways and means to overcome those challenges, bearing in mind the outcomes of the major United Nations conferences and summits in the economic, social and related fields and the principles contained therein, and the preparations for the post-2015 development agenda, in the light of the relevant principles contained in the Declaration on the Establishment of a New International Economic Order and the Programme of Action on the Establishment of a New International Economic Order.

[6] A/67/274.

Draft resolution II
Promoting transparency, participation and accountability in fiscal policies

The General Assembly,

Recalling its resolution 66/209 of 22 December 2011 and its previous resolutions on public administration and development,

Recalling also the United Nations Millennium Declaration,[1]

Acknowledging that fiscal policies have a critical impact on economic, social and environmental outcomes in all countries at all levels of development,[2]

Emphasizing the need to improve the quality, efficiency and effectiveness of fiscal policies,

Recognizing the critical role that transparency, participation and accountability in fiscal policies can play in pursuit of financial stability, poverty reduction, equitable economic growth and the achievement of sustainable development,

Recognizing also that transparency, participation and accountability in fiscal policies should be promoted in a manner that is consistent with diverse country circumstances and national legislation,

1. *Takes note* of the Global Initiative on Fiscal Transparency and its High-level Principles on Fiscal Transparency, Participation and Accountability of 2012;[3]

2. *Encourages* Member States to intensify efforts to enhance transparency, participation and accountability in fiscal policies, including through the consideration of the principles set out by the Initiative, on a voluntary basis;

3. *Also encourages* Member States, in this regard, to promote discussions on advancing the common goal of transparent, participatory and accountable management of fiscal policies;

4. *Invites* Member States and relevant United Nations institutions to promote cooperation and information-sharing among all stakeholders to assist Member States in building capacity and exchanging experiences with regard to transparency, participation and accountability in fiscal policies.

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[1] Resolution 55/2.

[2] See resolution 63/239.

[3] Sponsored by the Governments of Brazil and the Philippines, the International Monetary Fund, the World Bank and the International Budget Partnership.